Misappropriation of Public Funds by M/s Lohia Machines Ltd., Kanpur

2847. SHRI SHAMIM HASHMI: Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that M/s. Lohia Machines Ltd., Kanpur, has taken Rs. 80 crore by way of advance from the public but neither vehicles have been supplied nor advances returned in spite of repeated requests ;

(b) whether there has been a Supreme Court judgement in this regard and if so, what are the details thereof indicating why this has not been given effect to ; and

(c) whether there have been any similar cases of misappropriation and mishandling of public funds by Private Companies and if so, what are the details thereof indicating corrective action taken/proposed ?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH) : (a) The Company had called for bookings in Jan.-Feb. 1983. The total amount received by it as advance from the customers was nearly Rs. 116 crores. According to the company, out of this a sum of around Rs. 82 crores has been refunded/adjusted against sale of scooter as on 30-6-1990.

Mainly, the complaints have been about delay in refund of advance money on cancellation of bookings.

(b) No Supreme Court Judgement on this subject has come to the notice of Government.

(c) Complaints about delay in refund of advance money have also been there against certain other private companies. Such complaints are forwarded to the manufacturers for remedial action.

The acceptance of advance money against booking is considered a contractual obligation between the customer and the company. However, with a view to safeguarding the customer's interest, Government have issued revised guidelines on 9-12-88 for acceptance and deployment of advance money by the automobiles manufacturers.

2848. [*Transferred to the 4th September* 1990]

Gas Allocation for Gas Based Thermal power station at Kakinada, Andhra Pradesh

2849. DR. NARREDDY THULASI REDDY: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether gas has been allocated for the gas based thermal power station at Kakinada in Andhra Pradesh;

(b) if so, what are the details thereof; and

(c) if not, what are the reasons thereof?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M. S. GURUPADASWAMY): (a) and (b) Yes, Sir. 3.0 MMSCMD of gas has been allocated for the two gas based power plants of 400 MW each in the Krishna-Godavari Basin. Of these, one is to be set up by the NTPC and the other in the State Sector subject to confirmation of availability of funds with APSEB.

(c) Does not arise.